



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
0070035
#4140
R

November 13, 2012

Richard Carter, Plant Manager
Sunnyside Cogeneration Associates
One Power Plant Road
P. O. Box 159
East Carbon, Utah 84539

Subject: Five Year Permit Renewal, Sunnyside Cogeneration Associates, Sunnyside Refuse and Slurry, C/007/0035, Task ID #4140

Dear Mr. Carter:

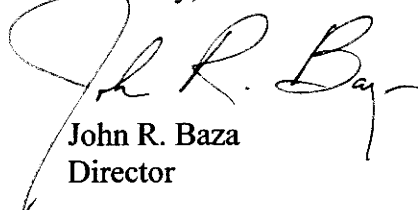
The Division has reviewed your application for permit renewal and has made a decision to approve this application. Enclosed is the renewed permanent program mining permit for the Sunnyside Refuse and Slurry and a copy of the State's Decision Document.

Two (2) copies of the permit are included. Please have both permits signed by the designated signatory authority and return one signed original to the Division.

Also enclosed is a stamped incorporated copy of the Update to Ownership and Control for insertion into your Mining Reclamation Plan.

If you have any questions, please call me at (801) 538-5334 or Daron Haddock at (801) 538-5325.

Sincerely,



John R. Baza
Director

JRB/DRH/sqs
Enclosure

cc: Kenneth Walker, OSM
Price Field Office

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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
November 13, 2012

Contents

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Affidavit of Publication
- * AVS Compliance Memo
- * Permit

ADMINISTRATIVE OVERVIEW

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
November 13, 2012

Background

The initial permit for the Sunnyside operation was issued on February 4, 1993. This permit allowed Sunnyside Cogeneration Associates (SCA) to conduct surface mining operation on a portion of the old Sunnyside mine. Coal waste and slurry are recovered from the refuse piles and slurry ponds for use as fuel in the Sunnyside Cogeneration power plant.

Analysis

The Permittee has met the requirements for permit renewal. The notice of permit renewal was published in the Sun Advocate on September 18, 25, October 2 and 9, 2012. No comments were received during the public comment period.

Recommendation

Requirements for permit renewal have been met. Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY


Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
November 13, 2012


June 26, 2012	Division received application from Sunnyside Cogeneration Associates for mining permit renewal.
September 7, 2012	Division notifies Sunnyside Cogeneration Associates that the Sunnyside Refuse and Slurry permit renewal application is determined complete.
September 7, 2012	Division notifies other federal, state and local agencies about the Sunnyside Refuse and Slurry permit renewal.
September 18, 25 and October 2 & 9, 2012	Public Notice of permit renewal for the Sunnyside Refuse and Slurry published in the <u>Sun Advocate</u> .
November 9, 2012	End of public comment period. No comments received.
November 13, 2012	Approval of Permit effective February 4, 2013.

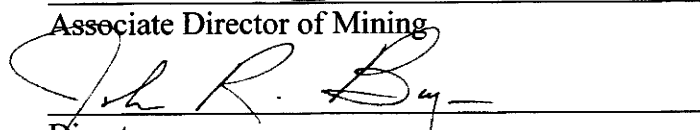
PERMIT RENEWAL FINDINGS

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
November 13, 2012

1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234)
2. The terms and conditions of the existing permit are being met. (R645-303-233.110)
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120)
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130)
5. The operator has provided evidence of maintaining liability insurance in full effect. (Federal Insurance Company, #3581-69-76)(R645-303-233.140)
6. The permittee has posted a reclamation performance bond in the form of Treasury Securities in the required amount of \$1,775,000. This instrument will remain in full effect for the additional permit period. (R645-303-233.150)
7. The Permittee has submitted all updated information as required by the Division at this time. (R645-233.160)


Permit Supervisor


Associate Director of Mining


Director

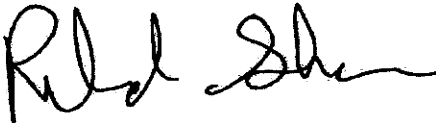
AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 18th day of September, 2012, and that the last publication of such notice was in the issue of such newspaper dated the 9th day of October 2012.



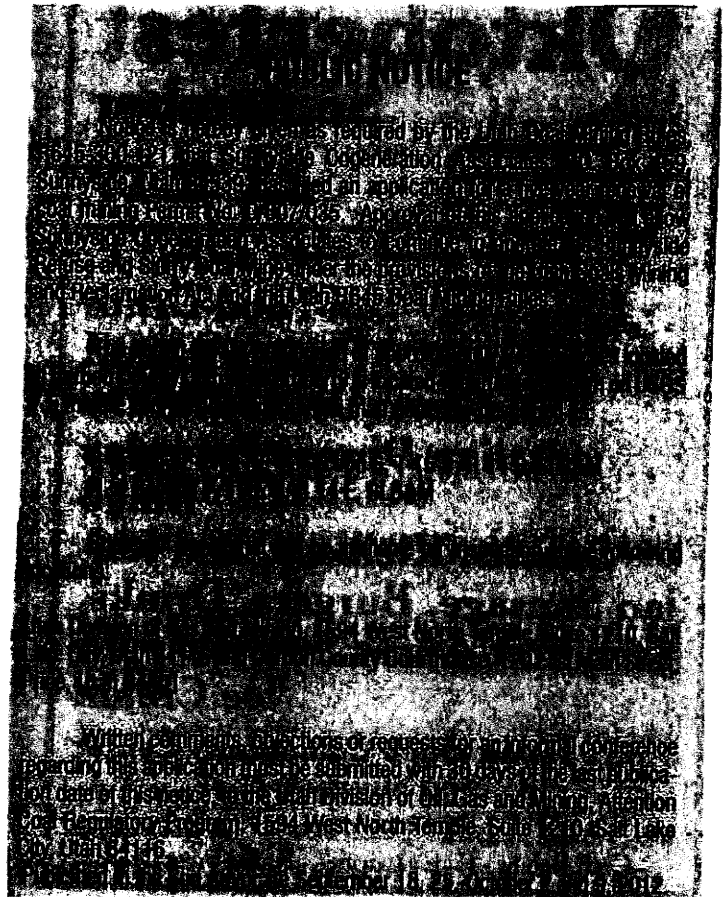
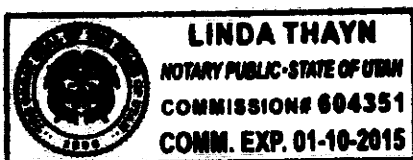
Richard Shaw – Publisher

Subscribed and sworn to before me this 9th day of October, 2012.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 302.40





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES


MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 9, 2012

To: Internal File

From: Daron R. Haddock, Coal Program Manager 

Subject: 510 (c) Recommendation for Sunnyside Cogeneration Associates, LLC,
Sunnyside Refuse and Slurry, C/007/0035, Task ID #4140

As of writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected for the Sunnyside Refuse and Slurry. There are no finalized civil penalties, which are outstanding and overdue in the name of Sunnyside Cogeneration Associates. Sunnyside Cogeneration Associates does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Sunnyside Refuse and Slurry that states there are no outstanding violations.

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suzanne.steab (UT) |

[Click for the Office of Surface Mining Website](#)[Home](#) ▶ [ENTITY](#) ▶ [APPLICATION](#) ▶ [PERMIT](#) ▶ [VIOLATION](#) ▶ [REPORTS](#) ▶[HOME](#) > ENTITY EVALUATE**Evaluation on Application Number: ACT007035 SEQ:6
0 Violations**[Print Report](#)**Application Evaluation**

Application Number	ACT007035 SEQ:6
Applicant Name	128991 Sunnyside Cogeneration Associates
Date of Request	11/9/2012 10:16:57 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 18

149239 Cp Sunnyside I, Inc - ()
---149242 Sunnyside II Inc - (Subsidiary Company)
-----149255 Sunnyside II Lp - (Subsidiary Company)
-----128991 Sunnyside Cogeneration Associates - (Subsidiary Company)
-----250039 Richard Carter - (Manager)
-----154154 Daniel L Haught - (Treasurer)
-----154156 Stephen B Gross - (Director)
-----154156 Stephen B Gross - (Vice President)
-----154200 John T Long - (Director)
-----154200 John T Long - (President)

-----154200 John T Long - (Senior Vice President)
-----154201 Steven L Miller - (Assistant Secretary)
-----247841 Paul C Shepard - (Vice President)
-----247842 Charles A Berardesco - (Secretary)
-----250039 Richard Carter - (Vice President)
---149243 Sunnyside III Inc - (Subsidiary Company)
-----149255 Sunnyside II Lp - (Subsidiary Company)
-----128991 Sunnyside Cogeneration Associates - (Subsidiary Company)
-----250039 Richard Carter - (Manager)
-----154154 Daniel L Haught - (Treasurer)
-----154156 Stephen B Gross - (Director)
-----154156 Stephen B Gross - (Vice President)
-----154200 John T Long - (Director)
-----154200 John T Long - (President)
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-----247842 Charles A Berardesco - (Secretary)
-----250039 Richard Carter - (Vice President)
---154154 Daniel L Haught - (Treasurer)
---154156 Stephen B Gross - (Director)
---154156 Stephen B Gross - (Vice President)
---154200 John T Long - (Chairman of the Board)
---154200 John T Long - (Director)
---154200 John T Long - (President)
---154200 John T Long - (Senior Vice President)
---154201 Steven L Miller - (Secretary)
---247841 Paul C Shepard - (Vice President)
149244 Colmac Sunnyside Inc - ()
---149245 Willis S Mcleese - (Chairman of the Board)
---149245 Willis S Mcleese - (Chief Executive Officer)
---149245 Willis S Mcleese - (Director)
---149249 Robert S Mcleese - (Chief Financial Officer)
---149249 Robert S Mcleese - (Secretary)
---149252 Sunnyside Holdings I Inc - (Subsidiary Company)
-----128991 Sunnyside Cogeneration Associates - (Subsidiary Company)
-----250039 Richard Carter - (Manager)
-----149245 Willis S Mcleese - (Chairman of the Board)
-----149245 Willis S Mcleese - (Chief Executive Officer)
-----149245 Willis S Mcleese - (Director)
-----149249 Robert S Mcleese - (Chief Financial Officer)
-----149249 Robert S Mcleese - (Secretary)
-----250060 Chris L Thompson - (President)
---250060 Chris L Thompson - (Director)
---250060 Chris L Thompson - (President)
---251032 William Langan - (Director)

NarrativeRequest Narrative

NON-FEDERAL

**PERMIT
C/007/0035**

February 4, 2013

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801**

This permit, C/007/0035, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Sunnyside Cogeneration Association
One Power Plant Road
Sunnyside, Utah 84539
(435) 888-4476**

for the Sunnyside Refuse/Slurry. Sunnyside Cogeneration Associates is the lessee of federal, state and fee-owned property. A performance bond is filed with the Division in the amount of \$1,775,000.00, payable to the State of Utah, Division of Oil, Gas and Mining. The Division must receive a copy of this permit signed and dated by the Permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on 241.25 acres of fee land on the following described lands within the permit area at the Sunnyside Refuse/Slurry situated in the State of Utah, Carbon County, Utah as follows:

S1/2 and SE1/4 of NE1/4 Section 6, T 15 S, R 14 E, SLB&M
N1/2 Section 7, T 15 S, R 14 E, SLB&M

This legal description is for the permit area of the Sunnyside Refuse/Slurry included in the mining and reclamation plan. The Permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit expires on February 4, 2018.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials and without delay to:

- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct coal mining activities and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS -The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to who notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.), and the Clean Air Act (42 USC 7401 et seq.), UCA 26-11-1 et seq., and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit area in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 SPECIAL CONDITIONS - The permittee shall comply with the special conditions in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: John R. Bayn
Date: 11/13/2012

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE (Authorized Representative)

By: _____

Date: _____

Attachment A
Conditions

1. Sunnyside Cogeneration Associates will submit water quality data for the Sunnyside Refuse and Slurry in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>